



County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

February 21, 2019

The Honorable Maxine Waters
Chairwoman
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

Re: Federal Housing Administration Loan Limits

Dear Chairwoman Waters and Ranking Member McHenry:

The County of San Bernardino is supportive of increasing Federal Housing Administration (FHA) loan limits for residents in the Inland Empire.

As you are well aware, FHA is a critical source of financing for first time homebuyers who rely on FHA loans to achieve homeownership. Without access to FHA financing, those who are creditworthy and have adequate incomes, but have been unable to save the substantial down payment required by a conventional mortgage, have been hindered from accessing affordable FHA mortgages. As a result, families are locked out of homeownership and the economic vitality of the region is hindered.

Neighboring Los Angeles and Orange Counties enjoy an FHA loan limit that is 69 percent higher than the Inland Empire, even though the Office and Management and Budget has classified San Bernardino and Riverside counties as being located in a "Combined Statistical Area" because of our commonalities in employment and commuting patterns. In Los Angeles and Orange Counties, because FHA is available a family can purchase a \$726,525 home with approximately \$24,000 as a down payment. However, in the Inland Empire that same family would need more than double the amount of a down payment to purchase a home for only \$431,250 (depending on their credit score). This disparity exists even though the Inland Empire is experiencing higher percentages of growth in both population and jobs than either Los Angeles or Orange Counties.

Research has consistently shown the importance of the housing sector on the economy and the long-term social and financial benefits to individual homeowners. In addition to tangible financial benefits, homeownership brings substantial societal benefits for families, and the community as a whole.

The County of San Bernardino thanks you for sharing our thoughts on this matter. We look forward to working with the Committee on this topic. If you have any questions regarding the County's position, please do not hesitate to contact Josh Candelaria, Director of Governmental Affairs at (909) 387-4821 or jcandelaria@sbcounty.gov.

Sincerely,

Curt Hagman
Fourth District Supervisor
Chairman, San Bernardino County Board of Supervisors

cc: San Bernardino County Federal Delegation

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